(c) whether the basic service providers had themselves asked for such increase in rates; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATISUMITRA MAHAJAN): (a) New Telecom Policy-1999 has as one of the objectives to provide affordable telecom connectivity to the people living in rural areas far away from the cities and towns.

(b) to (d) As per Telecom Regulatory Authority of India (TRAI) Act 1997, TRAI prescribes the rates at which the telecommunication services within India shall be provided. TRAI follows the practice of consultation with the various stake holders. During the tariff review exercise, repeatedly it was brought out by the basic service providers that the tariff for these services are below cost and needed to be aligned with costs. As it is not possible to prescribe fully cost based tariffs for basic services, an attempt has been made to move towards that direction. It has been reported by TRAI that the recent tariff order issued by TRAI to enhance monthly rental, reduced number of free calls and pulse rate, will have marginal effect only for high usage subscribers. Further, it has also been reported by TRAI that most of the local calls are of less than 2 minutes duration and hence reduction in pulse rate will not have any significant impact. The new tariff announced has not made any change in the monthly rental for rural areas. However, change in definition or rural subscriber may have impact on rural subscribers.

Foreign Capital Investment

†1577. SHRI RAM JETHMALANI:
SHRI KAPIL SIBAL:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that foreign capital investment is allowed in communication sector;

(b) if so, the foreign capital investment in this sector till the end of the year 2002;

†Original notice of the Question was received in Hindi.

(c) the details of the capital invested, separately, on communication services and communication industry (manufacturing) out of the said investment; and

(d) the turnover of these sectors in the first nine months of the year 2002-03 and the assessment with regard to the profit earned by each sector?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI SUMITRA MAHAJAN): (a) Yes, Sir.

(b) and (c) The total foreign capital invested in this sector till the end of year 2002 is Rs. 9562 crores out of which Rs. 7983.70 crores have been invested in communication services including investment companies set up for making investment in telecom services sector and Rs. 1578.4 crores in manufacturing and consultancy sector.

(d) The details of turnover of these sectors are not maintained centrally.

Cellular Handset Manufacturing Unit

1578. SHRIAIMADUDDIN AHMED KHAN (DURRU): Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that despite proliferation of cellular phone services in the country not a single domestic or multinational company has come forward with the proposal for setting up of cellular handset manufacturing unit in the country and subscribers are still being provided with expensive imported handsets;

(b) if so, the details thereof and the reasons therefor; and

(c) what action Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI SUMITRA MAHAJAN): (a) to (c) Telecom equipment manufacturing sector, including cellular handset manufacturing has been delicensed and therefore, these is no restriction to the manufacture of such items. The government has already given a number of incentives to encourage manufacture of cellular handsets locally which include import